

TRANSPORT BENEVOLENT FUND CIO

DEVELOPMENT PLAN – 2015/6

1. BACKGROUND

Our first plan as the unincorporated Transport Benevolent Fund (registered charity number 1058032) was in 1997; just a few months after the Charity Commissioners approved the merger of the former charities into TBF. The merger ended several years of uncertainty regarding the legal position and enabled the TBF to start to address other issues, of which the most important were stabilizing the finances and laying the foundations for the charity to become a national organisation. Stability having been achieved, the charity started to address its future direction in a more meaningful way in the second plan, drawn up two years later. We have since built on these foundations and are now very close to achieving our aim of membership throughout England and Wales, with further progress in Scotland. Since 1997 the TBF Board has considered whether the Charity should apply to be an incorporated charity.

In 2014 the TBF Board agreed the unincorporated charity should apply to become an incorporated body. An application to the Charity Commission was made to become a Charitable Incorporated Organisation CIO.

The Charity Commission accepted the unincorporated charity TBF's application to become a CIO. The name for new charity became Transport Benevolent Fund CIO (registered charity number 1160901). A resolution was agreed by the Board of both charities that the transfer of assets from the unincorporated charity to the new TBF CIO should take place on 1 October 2015. This means that the first six months of 2015/16 Development Plan performed under the unincorporated charity TBF and the second six month period performed under the new TBF CIO.

2. OVER THE PAST YEAR

Some progress was made extending membership into new undertakings, with successes in both bus and rail industries and increased membership in the air industry. However, we still encounter difficulties in some companies and progress remains slower than we believe it should be. Some companies and trade union representatives confuse our charitable help with the cash benefits offered by other bodies that have no loyalty to the industry. In the worst cases, individuals are motivated by commission payments from others rather than what is best for employees. Some companies display outright hostility. We have, however, been able to extend payroll deduction facilities to additional companies, with around 200 members contributing by means of standing order. We continued to recruit members in Scotland, by use of the England-based organisers.

Around 500 members are paid for by their employers (interestingly, generally in firms where there is no trade union), three companies introduced such arrangements during the past year. Company schemes of this kind are most welcome, but our main business remains signing up individual members of staff.

After allowing for wastage, membership increased by around 2,250, which was less than forecast. We recruited about 7,500 new members which was slightly higher than in the previous year. TBF membership is generally very popular where we can reach staff with the help of employers and unions. We have continued to diversify membership; only around one sixth of members now work for Transport for London – once our only source of membership - and Stagecoach is now the largest employer of TBF members. We work hard to ensure that we are reaching into new companies and not becoming too reliant on any one employer or group. At the same time, while we welcome members in smaller companies, experience teaches us that the unit costs of recruitment and retention of members in these are much higher than in larger companies, and we have to use our resources carefully.

We continued to manage the Transport for London Staff Welfare Fund (SWF), enabling us to help non-members who are (or were) associated with TfL. We shall always remain a membership charity, but it is good to have been able to extend our work by use of this money.

We were able to maintain the excellent service to beneficiaries without increasing office staff. It was agreed that two additional organisers were needed for 2015/16, one for Scotland and the other for East Anglia and the Home Counties.

This would be a very complacent review if it did not address the issues caused by world economic uncertainty, with large variations in investment markets. Our reserves have increased, but our biggest immediate issue is achieving growth when there is so much uncertainty, and where the priority for many employers is cost saving rather than expansion. Looking at everything that is going on in the world, we believe we are making good progress.

3. OUR MISSION

Our primary purpose is to relieve need, hardship and distress among our members and their dependants. We do this by offering a wide range of benefits and by continuing to develop new ways of helping people. We recognise that for some types of help (e.g., hardship grants) a form of means testing is inevitable, but we will continue to use this as little as possible.

All those working in the public transport industry are potentially our beneficiaries and the second part of our mission is to bring the benefits of membership to more of them. In addition, by continuing to broaden our membership base, we are increasing our chances of being able to fulfil our mission by being less reliant on developments in a small number of companies.

In summary, we aim to help non-members who are involved in dealing with fatalities at work.

4. THE FUTURE

4.1 Relevance of TBF

Some may once have thought that there would be no need for a charity like TBF CIO in the 21st century. We may wish that society's response to the needs of individuals was different and that the necessary help was dispensed by the State rather than by charities. Sadly this is not how society has developed and it is clear the State's role in the provision of services and benefits will not increase. Indeed, the voluntary sector is increasingly shouldering the burden as State services are reduced. It is not for TBF CIO to have a view on this policy, but it is for us to do what we can to protect individuals who find State support being reduced or that they are forced to use private providers whose prices they cannot afford.

It is only when misfortune befalls a member or dependant that they realise how little support is available from the State. That is when we need to be able to help – either by direct assistance or by pointing to another source of help (and perhaps helping them obtain what they need from that source). We have developed our benefits so they meet present-day needs and aspirations as far as possible within the money available and in line with our mission and we will continue to do so. If we are not relevant to the needs of our beneficiaries then we do not deserve to survive and we shall ensure by listening to our members that we do remain relevant to their needs. The fact that most of our trustees are drawn from the industry greatly helps this process. TBF CIO offers a unique range of benefits and we must increasingly make this known.

4.2 Range of benefits

We shall continue to review our range of benefits regularly together with their take-up, cost-effectiveness and attractiveness to members. We cannot operate as a private company or friendly society, because we are neither. We do not set out to do what the State should do. We are not here to subsidise the State, poor wages or pensions. Nor can we sit back and assume everything we do is exactly what is needed.

We have made much progress in making complementary treatments available to beneficiaries. Professionals working in the complementary health field have described our work as 'groundbreaking', because we are enabling ordinary working people to obtain

treatments which would otherwise be beyond their means. We are also finding other ways to help working members retain their jobs when illness or injury strikes, including a wide range of tests and scans. We shall continue to develop benefits and thus help both the beneficiary and their family and the industry and will continue to do all we can to ensure that beneficiaries can get the help they need quickly and with a minimum of formality, always bearing in mind the costs involved.

4.3 Our constituency

We have made much progress in expanding the geographical boundaries of the TBF CIO, to the extent that we now have members in all Train Operating Companies, Network Rail, almost all significant bus companies in England & Wales, British Transport Police and railway engineering and ancillary services. We have members (though sometimes single figures) in about 450 companies and payroll deduction facilities in over 200. However, much more needs to be done and this will remain the priority not just for the coming period but for the foreseeable future. We shall devote significant resources to expansion within the bus and rail sectors, while seeking to expand within Scotland, the air industry and passenger shipping.

We shall continue to promote TBF CIO through our organisers, representatives, website, advertising and distribution of promotional items, and we shall ensure these remain cost-effective. Our strategy has been largely successful so far, but progress in some areas remains slow and we shall not be afraid to face up to the issues that arise in such cases.

Employers are bombarded with organisations seeking access to their staff and to payroll deductions and it is sometimes difficult to impress on them the relevance and generosity of TBF CIO as against the claims made by other bodies in support of their services. We have had much success working through trades unions and will continue to solicit their help as well as contacting employers directly and seeking access.

Only one employer now charges for collecting contributions and the sum involved is very low. We shall seek to end this practice in due course, without jeopardising the facility.

We shall continue to make it possible for members leaving the industry to remain in membership, but do not see this as a priority.

4.4 Membership target

We expect active membership at the end of the 2014/15 financial year to be about 45,250.

We must continue to grow as, without this, we shall not be achieving our mission and overheads will consume a disproportionate share of income. There is almost endless scope for growth, but we are being prudent in assuming an average contributing membership of 46,750 during the coming year with year-end membership of 48,250. This will represent a further significant increase of around 7%.

We must sound a word of caution, however, in that no-one knows what the future holds for the economy. It is clear that supported bus services are being severely affected in many areas by withdrawal of financial support. We will do all we can to achieve our targets and will not fail through our own efforts, but we are not in control of the effects from outside forces.

4.5 Gift Aid

We are seeking to recover £557,000 in respect of 2015/2016 contributions, which would represent around 23% of contribution income. Given that most of our members are taxpayers and that most new recruits agree to our recovering tax on their contributions, this is a vital source of income. It enables us to maintain and improve benefits and avoids the need to increase contributions. We cannot, however, claim Gift Aid on contributions made by employers on behalf of their staff.

4.6 Campaigning

We are not generally a campaigning or lobbying organisation, but we will continue to work with others to achieve changes which help TBF CIO fulfil its mission and which are to the benefit of our beneficiaries. We shall maintain our membership of bodies such as the Association of Charity Organisations and work with our counterparts in other funds to further the interests of occupational benevolence and its beneficiaries.

4.7 Financial strategy

4.7.1 Reserves

Our unrestricted reserves exceeded £3.1 million at the end of the 2013/14 financial year, representing rather more than one year's cover. At the same time, the restricted Transport for London Staff Welfare Fund had assets of just over £1.3 million but this money is ring-fenced for use only for certain classes of beneficiary.

We expect our reserves to be rather higher at the end of the 2014/15 financial year, mainly because of the performance of investment markets. We are happy to operate with reserves at this level, but would like to increase the unrestricted reserve gradually to two years' cover. It is not easy to see how this may be achieved given the combination of rapid growth of the charity combined with the state of investment markets.

We cannot predict the net effect on costs of recruiting members in new companies where sick pay and other conditions may be significantly worse than in our traditional areas and must have adequate reserves to ensure our work can continue unhindered. We have also encountered costs where companies employing members go out of business leaving the staff unpaid and with TBF CIO needing to help staff in the short-term.

We aim to break-even financially each year, but will accept a short-term loss if it helps to extend TBF's work to new areas and strengthens the organisation. Our ideal would be to create modest surpluses that allow our reserves to slowly accumulate, though the provision of the necessary benefits and member service is more important.

Our aim in respect of the SWF is to maintain its value in constant terms. We aim to disburse the income.

4.7.2 Contribution rate

This was last increased in January 1994 (from 80p per week to £1). While we consider the rate from time to time, we do not expect to increase it in the short-term and will only do so if this is essential to the financial security of the charity. Given that there is no intention to increase it during this financial year, it will have remained unchanged for over twenty years.

4.7.3 Fixed costs

We will avoid significant further fixed costs in the way of leases, etc. The only leases of any consequence are in respect of our office accommodation and photocopier. However, given the continued growth of the charity, we have to review staffing regularly and periodically increase it.

4.7.4 Office accommodation

We moved to new accommodation at New Loom House, Back Church Lane in East London in April 2014. We have a ten year lease, with a five year break clause that only applies to the charity. The lease has been vested in the Official Custodian.

4.7.5 Investments

We have two investment managers – one for the unrestricted fund, the other for the TfL Staff Welfare Fund. We shall keep their performance under close review and compare this regularly with the benchmark.

4.7.6 Cash flow

We have established a cash reserve, which enables us to spread money between different banks and thus reduce the risk to the charity. With interest rates at historic lows, interest on this money is of secondary importance. We place the money recovered through Gift Aid in the reserve and draw on it to provide the necessary cash for our day-to-day operations, as our total budget is broadly balanced.

Most employers forward, on a regular basis, contributions paid through members' payroll deductions and this helps greatly with financial planning, but there are uncertainties and we shall not allow cash flow problems to affect our work. For the present, we aim to retain a cash reserve (not forming part of the investment pool) of around £300k to £350k, including cash in the current account. This represents around six weeks' expenditure and is a large sum, some of which should ideally be invested, but we cannot afford the risk of cash shortages in the present climate.

4.7.7 Organisation and staffing

The 15-month contracts for the three new members of the management team finished on the 31 March 2015. Further 12-month contracts starting from 1 April 2015 have been awarded to Ian Barlex, Development Director and to Catherine Barlow, Marketing and Design. Rupert Brennan Brown, Rail Network Development has not been awarded a new contract, but if called upon, will give advice on any rail industry developments.

It is Ian's job to ensure the profile of TBF CIO is promoted and maintained within the industry as a whole, look for new openings (and try to open those up), advise on marketing issues and keep TBF CIO advised of industry developments. Ian has been an industry consultant for some years.

Catherine has been our designer for many years and is now also accountable for monitoring of all aspects of marketing contracts, including provision of material, writing copy and progress chasing.

The Secretary, General Manager and Development Director all continue to report to the President.

Two new organisers have been recruited by the charity with the Scotland organiser starting in April 2015 and the Home Counties organiser starting in May 2015.

Office staffing is under constant review and improved methods of working have slowed the need for additional resources. However, in anticipation of the two new organisers doing well it is anticipated that a new member of office staff will be needed sometime in 2015/16. We expect to continue to rely on directly employed staff on reasonable conditions of service, and we recognize TSSA to represent them.

4.7.8 Cost of benefits

We shall continue to closely monitor expenditure in all categories, but will not reduce this in respect of any one benefit simply because it is above expectations, unless overall expenditure is significantly out of line.

4.8 Patrons

We shall continue to invite senior figures in the public transport industry and the transport trades unions to become Patrons, because the help afforded by their visible support is valuable to the charity.

4.9 Service partners and co-operation with other organisations

We shall continue our strategy of either reimbursing beneficiaries for expenditure incurred on authorised benefits or by buying high quality services for them. Except for welfare advice, we shall not provide any benefits in-house.

Cost is important in buying services, but not always more important than consistency of service and the formation of long-term relationships. We enjoy good relations with organisations such as the Railway Convalescent Homes, our solicitors and medical equipment suppliers and shall continue to develop further our relationships with them. We do not expect to seek additional arrangements, because they tend to reduce flexibility which members value.

We are working well with the trustees of the LT (Railways) Friendly Society Trust and London's Transport Choir.

We shall look for other opportunities to extend our work to help active and retired public transport workers and their partners. These opportunities may include consideration of potential mergers with other organisations if these can help to increase the range of benefits available to beneficiaries.

4.10 Loans to beneficiaries

We shall continue the practice of making loans to beneficiaries of the TfL Staff Welfare Fund, but we do not intend to make available any other loans.

4.11 Information Technology and Business Continuity

We ensure that all our procedures comply fully with the provisions of the Data Protection Act, including gathering and secure storage of information and ensuring there is no unauthorised disclosure of data (especially sensitive data). We do not envisage the need to take any further action in these respects.

We have arrangements for ensuring business continuity in the event of a range of events occurring, because we recognise that disaster recovery alone is not sufficient: we need to be able to maintain a full service to members with only minimal interruption in the event of a disaster occurring. We shall continue to ensure that all our IT equipment and back-up procedures are robust.

4.12 Democracy

TBF CIO is established in such a way as to ensure that contributing members can democratically control it. Local committees are the backbone of that democracy. We have devoted a lot of attention to increasing the number of these committees and will continue to do all we can to increase member involvement. We hope to increase the present number of Local Committees (around 170) still further and have a target of 185 by March 2016.

There are presently 15 TBF CIO trustees. We shall continue to seek to increase the diversity of the Board, although much progress has been made in recent years. We are also mindful of the age composition of the present Board and shall continue to seek trustees who will ensure a robust succession.

We shall continue to seek to involve former activists in the Retired Activists' Forum, the views of which are considered by the Board.

4.13 A membership charity

TBF CIO is a membership charity and this must remain the focus of its future work in the absence of any significant funding from within the industry. The Constitution does, however, allow us to help anyone engaged in the industry. We have already extended limited help to non-members involved in work-related fatalities and in principle we are prepared to expand our work with non-members if suitable sources of income could be generated. Realistically this would mean contributions from employers, but experience to date is that significant financial

help from employers is unlikely. Many of those helped through the Transport for London Staff Welfare Fund are not members of TBF CIO, but we need to continue to find ways of attracting more requests for help from the SWF (particularly for retired staff) because we are concerned that there is unmet need among potential beneficiaries.

Subject to the requirements of the Charity Commissioners and HM Revenue & Customs, we shall keep an open mind about possible services to members over and above those provided under our Constitution, where others are prepared to fund these. We may consider forming a trading subsidiary if this appears likely to help us achieve an improved level of income for the charity, but no early moves are expected in this direction. We shall keep these matters under notice and also welcome donations from other sources – even if these are of a restricted nature.

4.14 The Sandra Barr Memorial

We shall continue to bring the existence of this memorial to the attention of beneficiaries and use it to pay for new nebulisers. In principle we could also use it to service existing machines, but this might exhaust the memorial - although there is no reason why we should not allocate additional funding to it as needs arise.

4.15 The Issy Gold Memorial

Issy was the Secretary of the charity, the London Transport Benevolent Fund, until 1985; his passing in 2005 was sorely felt by the trustees, staff and many older members. We have established a memorial to him with the purpose of relieving need, hardship or distress among beneficiaries who have retired from Transport for London or its predecessors. We hope to attract further donations to this memorial.

4.16 The Arthur and Rose Hollingsworth Memorial

We had had a small sum earmarked for some years to help non-TBF CIO members who are involved in fatalities in their work, but this was expanded significantly by the generosity of Mr and Mrs Hollingsworth in leaving a considerable sum to TBF. Some of this money was used to augment the other two memorials, while a new memorial was established using the above name, to provide funds to help non-TBF CIO members when necessary.

4.17 Incorporation

The Charity Commission agreed the Transport Benevolent Fund (registered charity number 1058032) application to become a Charitable Incorporated Organisation CIO. The name of the new charity is Transport Benevolent Fund CIO (registered charity number 1160901) and can be seen on the Charity Commissions website since 16 March 2015. The date to transfer all the assets from the unincorporated charity to the new TBF CIO is intended to take place on 1 October 2015. However, the TBF CIO Board understand their might be a short delay of the transfer if some of the mechanisms are not quite in place by the 1 October 2015.

4.18 Trustee Indemnity Insurance

The Trustees are currently looking at quotes for Trustee Indemnity Insurance.

4.19 Custodianship

TBF CIO will be able to dispense with the services of the Official Custodian of Charities in respect of the leases on the office premises soon, due to the charity becoming incorporated.

We shall continue to monitor the arrangements for the custodianship of our reserves to ensure that these offer the maximum possible security.

4.20 Corporate Governance

We shall continue to strengthen the processes which have been introduced.

The Authorities document is reviewed regularly to ensure that it continues to enable the Fund to extend timely help to beneficiaries and to develop TBF CIO, while protecting the interests of the charity and its beneficiaries.

4.21 Relationships with members

Our members are both our funders and our clients. There is nothing inherently wrong with this dichotomy but sadly, of late, some members have acquired a level of expectation of the help the charity will make available to them that is completely out of line with what anyone would previously have thought possible. Unfortunately, these members take up a great deal of staff time and worsen services for the thousands of perfectly content (often very grateful) members. Some have taken to encouraging others to leave TBF CIO and even threatening to publicise our supposed inadequacies in the media.

We have developed ways of reducing the trouble caused by such members, where necessary by barring them from receipt of benefit or by inviting them to leave TBF CIO. We have also extended the grounds for expulsion. We very much regret having to take these actions, but the attitude of such members and their ability to frustrate our aims no longer gave any option. We shall not hesitate to take further steps to reduce abuse if necessary.

4.22 Service Standards

We have developed service standards, so that we may gauge regularly whether the service we offer to members (mainly in terms of time taken to deal with their requests for help) meets what we consider to be reasonable. We shall not publicise these standards externally because we foresee a minority of members attempting to use them against us if they have a grievance.

5. COMMUNICATION WITH BENEFICIARIES

All forms of communication have costs, and attempting to keep in touch with the many thousands of active and retired members would incur significant cost – even were addresses known. We do not believe the cost and time involved would be of any real benefit to beneficiaries and prefer to devote our resources to ensuring that a full range of benefits is available for them in time of need. We do not detect any wish on the part of most members to alter these priorities.

Nevertheless, we shall continue to communicate through Local Committees and management and union magazines. We shall further develop our website.

6. TBF CIO PLEDGE

We are proud that the charity continues the work started in 1923, with broadly similar objectives, structure and ethos. We pledge to do all we can to ensure it continues to grow and to ensure it remains robust in every respect.

7. IN CONCLUSION

The Secretary will be pleased to supply any more information on issues covered by this plan and will arrange for the trustees to consider suggestions from whatever source. TBF CIO is here to support public transport workers and their dependants and thus help the industry, in ways that are not judgmental but encourage people to retain dignity and build their self-reliance. We are always keen to expand the work within the available resources.